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Message Text

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11
ACTION NEA-10

INFO OCT-01 ISO-00 SP-02 AID-05 EB-07 NSC-05 CIEP-02

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00

FRB-01 INR-07 NSAE-00 USIA-15 XMB-04 OPIC-06 LAB-04

SIL-01 AGR-10 FEA-01 PA-02 PRS-01 DHA-02 ORM-02

ACDA-10 IGA-02 (ISO) W
---------- 052067
R 101104Z JAN 76
FM AMEMBASSY AMMAN
TO SECSTATE WASH DC 6575
INFO AMEMBASSY JIDDA
AMEMBASSY KUWAIT

UNCLAS AMMAN 0100

E.O. 11652: N/A
TAGS: EFIN, JO
SUBJECT: 1976 GOJ BUDGET

REF 75 AMMAN 7771

1. ON DECEMBER 28, GOJ CABINET APPROVED 1976 BUDGET, AND ON JANUARY 1, KING HUSSEIN ISSUED ROYAL DECREE APPROVING BUDGET LAW. MAJOR OBJECTIVES OF 1976 BUDGET AS OUTLINED IN PUBLICLY BROADCAST SPEECH DELIVERED BY MINISTER OF FINANCE, SALEM AL-MASA'DEH ON DECEMBER 29, ARE IDENTICAL TO THOSE OF 1975 BUDGET SPEECH, NAMELY:

(1) TO STRENGTHEN JORDANIAN ARMED FORCES;

(2) TO INCREASE FUNDING FOR DEVELOPMENT PROJECTS;

(3) TO EXPAND EDUCATION, VOCATIONAL EDUCATION IN PARTICULAR;

(4) TO INSURE REASONABLE PRICES FOR ESSENTIAL COMMODITIES
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THROUGH GOVERNMENT SUBSIDIES;

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(5) TO CONTINUE SUPPORT OF WEST BANK TO ENABLE PALESTINIANS "TO PERSIST AGAINST AGGRESSION AND OCCUPATION;" AND

(6) TO PROVIDE FOOD AND SERVICES TO DISPLACED PERSONS (I.E. REFUGEES FROM 1967 WAR).

2. OTHER HIGHLIGHTS OF BUDGET SPEECH INCLUDE ANNOUNCED INTENTION TO INCREASE "NATIONAL INCOME" BY 12 PERCENT IN 1976 AND TO RAISE SALARIES OF MILITARY PERSONNEL AND CIVIL SERVANTS IN NEAR FUTURE. THE ESTIMATED DEFICIT (AFTER INCLUSION OF FOREIGN ASSISTANCE AS REVENUE) OF 12 MILLION JD IS TO BE FINANCED BY "LOCAL REVENUE AND DOMESTIC LOANS."

GOJ BUDGET FOR 1976 IN JDS

(1 JD EQUALS $3.06 US AT PRESENT EXCHANGE RATE)

PART I
CURRENT BUDGET

REVENUES	191,000,000
DOMESTIC	107,000,000
FINANCIAL ASSISTANCE	72,000,000
SAUDI ARABIA	12,500,000
KUWAIT	11,500,000
U.S.A.	18,000,000
OTHER	30,000,000
DEFICIT	12,000,000
EXPENDITURES	191,000,000
CURRENT	135,230,000
CIVIL SERVICE	57,230,000
DISPLACED RELIEF	4,000,000
DEBT SERVICE	6,000,000
EMERGENCY	8,000,000
ARMED FORCES	51,000,000
PUBLIC SECURITY	9,000,000
CAPITAL & DEBT SERVICE	55,770,000

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FOREIGN LOAN	
REPAYMENT	4,829,000
DOMESTIC LOAN	
REPAYMENT	1,435,000
ORDINARY CAPITAL	
EXPENSES	7,181,000
CAPITAL EXPENDITURES	
DEVELOPMENT PLAN	

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PROJECTS 42,325,000

PART II

REVENUES 72,000,000
ECONOMIC & TECHNICAL
ASSISTANCE 3,500,000
CONTRACTED LOANS 39,493,000
EXPECTED LOANS
&ASSISTANCE 29,007,000

EXPENDITURES (5 YR. PLAN) 72,000,000
ECONOMIC & TECHNICAL
ASSISTANCE 3,500,000
CONTRACTED LOANS 39,493,000
EXPECTED LOANS &
ASSISTANCE 29,007,000

4. IN COMPARISON WITH 1975 BUDGET LAW; THIS YEAR'S BUDGET PROJECTS:

(A) INCREASE OF 11.7 PERCENT IN DOMESTIC REVENUES, BUT SINCE ACTUAL RECEIPTS FROM DOMESTIC REVENUES IN 1975 WERE MUCH LOWER THAN PROJECTED IN 1975 BUDGET BECAUSE OF DISAPPOINTING RECEIPTS FROM PHOSPHATE EXPORTS, PROJECTED INCREASE FOR 1976 OVER ACTUAL ESTIMATED RECEIPTS IN 1975 IS 27.4 PERCENT (ACTUAL ESTIMATED INCREASE FROM THIS SOURCE IN 1975 OVER 1974 WAS 35.5 PERCENT);

(B) INCREASE OF 19 PERCENT EXTERNAL GRANT BUDGET SUPPORT, INCLUDING PROJECTED 200 PERCENT INCREASE IN UNSPECIFIED "OTHER" CATEGORY;

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(C) INCREASE OF 200 PERCENT IN "EXPECTED LOANS AND ASSISTANCE" CAPITAL BUDGET FOR DEVELOPMENT (PART II);

5. FURTHER COMMENT AND ANALYSIS WILL FOLLOW SUBSEQUENT TO OUR RECEIPT OF DETAILED BREAKDOWN EXPECTED IN 2-3 WEEKS OF BUDGETED REVENUES AND EXPENDITURES.
PICKERING

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NNN

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